



Governor's Tourism Advisory Council Meeting (TAC)

Wednesday, July 11, 2012

10:30 a.m. – 1:30 p.m.

The Arizona Biltmore-MacArthur 3

2400 East Missouri

Phoenix, Arizona 85016

Meeting Minutes

I. Call to Order/Approval of February 16, 2012 Governor's Tourism Advisory Council (TAC) Meeting Minutes.

Michael Luria called the meeting to order at 10:45 a.m. Sherry Henry introduced new and returning TAC members. The following TAC members were present: Michael Luria, Jody Harwood, Stacey Button, Lorraine Pino, Teresa Propeck, Richard Vaughan, Victoria Yarbrough, Bruce Lange, Ron Charles and Susan Sternitzke. AOT staff present: Sherry Henry, Mark Stanton, Linda Yuhas, Karen Churchard, Mary Rittmann, Kiva Couchon, Laura Franco French, Rebekah Bell, and Dawn Melvin. Katie Cobb joined as new member and gave an overview of her background. She is currently Vice President of External Affairs of The Phoenix Symphony. Jody Harwood is beginning her new term. Kelly McCullough has been appointed as a new member. Kelly is General Manager of Channel 8, at Arizona State University. Sam Campana has resigned. However, her term was set to expire June 30, 2012. Edwin Leslie has resigned.

Motion was made by Stacey Button to approve meeting minutes of February 16, 2012. Motion was seconded by Lorraine Pino. Minutes of February 16, 2012 meeting were approved unanimously.

II. Arizona Office of Tourism (AOT) Updates

Dawn Melvin, Native American Tourism Development Manager of AOT, gave an update on American Indian Program for FY 2012. The following activities were included in AOT's program of work for FY 2012:

- 2011 Governor's Conference on Tourism (July 2011); conducted the Tribal Roundtable, 21 attendees organized and moderated session titled Tribal Marketing Connections, worked with 4 panelists: Rory Majenty, Fort McDowell Yavapai Nation & Hualapai Sky Walk, Donovan Hanley, Navajo Nation Hospitality/Prescott Resort and Conference Center. The session had 52 attendees.
- Governor's Statewide Development Conference in Oro Valley, Arizona, organizing and moderating the panel titled Tribal Marketing Connections on October 27, 2011.

- Four Corners Sustainable Futures Initiative out of Northern Arizona University on the Cultural and Eco-Tourism Panel on November 4, in Flagstaff, Arizona. The focus was on the Navajo and Hopi Tribes in the following industries; renewable energy, manufacturing, agriculture, and travel, cultural tourism and ecotourism.
- National American Indian Tourism Conference, September 11-14, 2011 at the Radisson Fort McDowell Resort participated on the State Representatives Panel with speakers from the Southeast Tourism Society, North Dakota Indian Affairs Commission, and the Nevada Indian Commission.
- Cultural Tourism Conference, Moenkopi Legacy Inn on May 9-11, 2012-“Capacity Building to Strengthen Tribal, State and Federal Tourism Relationships and Tribal Tourism Enhancement for the Ground Up”.

AOT also provides sponsorship and support to Tribal and state-wide Indian efforts to help grow Tribal tourism by providing training opportunities for new and existing Tribal tourism entrepreneurs and businesses. Support was provided to the following projects:

- 13th Annual National American Indian Tourism Conference (AITC)
- Centennial Best Fest Indian Village
- Cultural Tourism Conference
- Indian National and Tribes Legislative Day

The program participates in a variety of marketing initiatives, looking for ways to better highlight and present work taking place in Indian Country. Major marketing projects include:

- For the first time, the 2012 Official State Visitor’s Guide (OSVG) included a Tribal marketing section as an additional region featuring an article on shopping for authentic American Indian arts and crafts, a calendar of events, Tribal listing and an Indian Country map.
- Time was spent on the consumer website ArizonaGuide.com to enhance the American Indian section. Content was retagged and Tribal listings were worked on and continue to be updated.
- Updated and reprinted 40,000 copies of the brochure Authentic Native American Arts & Crafts in collaboration with the Council for Indigenous Arts and Culture, Tony Eriacho Jr., President.
- This year, AOT participated in the Arizona Media Marketplace, which was held in New York, November 15 with American Indian Chef Freddie Bitsoie. This provided an opportunity to bring attention to American Indian culinary experiences throughout Arizona and in Indian Country. Over 80 journalists attend the event.

The American Indian Program continues to work with and participate in various programs:

- Tribal Tourism Advisory Committee (T-TAC)
- 2013 Statewide Comprehensive Outdoor Recreation Plan (SCORP) Work Group
- Multi-Agency Sustainable Infrastructure Resource Forum
- Legislative Native American Caucus

- Heard Museum's American Indian Advisory Council

Looking forward into FY 2013:

- 2013 Survey of Visitors to Arizona's Tribal Lands and Economic Impact
- 2013 AOT Reference Guide
- Arizona Tribal Tourism Directory of Information
- American Indian Marketing/fulfillment piece
- AAITA

Sherry Henry, Director of AOT, did an overview of the structure of the AOT budget. Budget handouts distributed in TAC packet include Governor Recommendation FY 2013 Arizona Office of Tourism Funding Sources for Tourism Fund and AOT Budget Percentages for FY 2013.

Sherry reported on the three sources of revenue, which are from the General Fund, Proposition 202 and Proposition 302. The General Fund being \$7,000,000, Proposition 302, which is stadium money (Maricopa County), comes into the Tourism Fund. This money is designated to market Maricopa County. Proposition 202 is the Indian Gaming Money. The monies from Propositions 302 and 202 are projected. The General Fund appropriation is \$7,000,000. The total reflects a projected budget of approximately \$19,000,000+ for FY 2013.

Linda Yuhas, Assistant Deputy Director of AOT, stated that there was a certain advantage to funding being in the Tourism Fund. Now, that a portion of the budget is in general fund, it does significantly change this portion of the funding. Proposition 202 is protected, having language which protects it from ever being swept into general fund. In General Fund, all money is given out or allocated to agencies on an annual basis. AOT is in the process of requesting to have the next General Fund allocation directed to the Tourism Fund.

Bruce Lange asked if the General Fund can be reallocated. Linda Yuhas stated that it goes back to the General Fund. There are specific restrictions to Proposition 202 dollars. It is not just about what AOT perceives as a "marketing project", but more how those expenses process through the state accounting system. The organization has \$3,000,000 more this year, with the bulk going to advertising.

Rebekah Bell, Director of Advertising for AOT, presented an advertising update.

- Target cities campaign wrapped up in April
- There has been a slight dip in the printed guide.
- There is a new marketing cooperative program, which is a directive from the Governor.
- The new marketing cooperative campaign is built around idea of making larger impact and collectively approaching advertising and will be a matching program.

Sherry Henry stated that when the Governor presented recommendation for this money, there were three caveats for the \$3,000,000. In addition, the \$1,000,000, which was to go towards the national

campaign, was predicated on the fact that AOT was to find another \$1,000,000 in private contributions, in-kind services, value ad, extra billboards, etc. Last year, we saw well over \$1,000,000 in added value, which helps to promote the overall program.

Kiva Couchon, Director of Communications and PIO of AOT, reported on the 2011 Statistics on Embargo. In 2011, Arizona experienced 37.6 million domestic and international overnight visitors, which is a 2.9% increase over last year. This generated spending of more than \$18,000,000 throughout the state-5.5% increase over 2010; job generation of 157,000, an increase of 1.9%. Earnings generated went up to approximately \$5.1 billion with tax generation of local state and tax revenues of \$2.7 billion. Kiva stated the numbers are looking good and that AOT is cautiously optimistic. AOT will be producing its usual *Tourism Works for Arizona* worksheet, which breaks down all the numbers. This will be available to everyone and be posted on the website, along with other research supporting these numbers after Sherry's announcement at the Governor's Conference on Tourism. There will be a Research Session, at 10:45 a.m., which will break down the numbers as well.

Mary Rittmann, Director of Trade and Media for AOT, gave an update beginning with the announcement that AOT will explore emerging markets specifically China and Brazil.

- Canada has matured over the years with great visitation increases.
- In Europe, Germany and France as well as the UK, AOT is being very careful and strategic.
- AOT is maintaining media efforts in Germany and France.
- Trade product is well established with more than 100 tour operators in Germany.
- PR efforts in Canada, Germany, France and UK have increased.
- In Mexico, Sonora is a mature market. Trade and media efforts in Mexico will be concentrated in Guadalajara and Mexico City.
- Jennifer Sutcliffe, Travel Industry Marketing Manager of AOT, will be overseeing trade for China and Brazil.
- Mary Rittmann and Jennifer Sutcliffe to travel to China in September and Brazil in October of 2012. By the end of this calendar year, AOT will have representation in both countries and have collateral material in Mandarin and Portuguese and include material on website.
- Trade and Media continues to host press trips, usually hosting 120 journalists throughout the course of the year.

Mary was asked about the expenditures of upcoming travel. Mary replied that the rep contracts run from \$60,000 to \$100,000 annually. She stated that the bulk of the expenditure is the consumer advertising being done in Canada and Mexico, as AOT backs away from trade efforts in Canada and toward visitors from Mexico City and Guadalajara.

Mary also reported that AOT will be adding a new staff person towards the end of the calendar year, who will handle media in China, Brazil and Mexico, as we begin to get this program, which is a directive from the Governor, established.

Karen Churchard, Deputy Director of AOT, gave an update on Arizona's Centennial.

- Though many projects and events are completed, Centennial is still being celebrated throughout the state.
- Approximately \$10.5 million were raised-\$3.7 million being in kind.

Laura Franco French, Director of Community Relations for AOT, presented an overview of recent activities and programs.

- Arizona Tourism University (ATU) facilitated a variety of workshops including a Wildlife Viewing webinar, a social media workshop and webinar in Sonoita and Camp Verde, customer service webinar and workshops in Williams and Nogales, cultural tourism webinar and workshops in Tubac and Flagstaff. Total attendance for various workshops exceeded 400. Next year, Community Relations plans to facilitate one ATU and a few toolkits/webinars.
- Community Relations met with Nogales Port Authority, Greater Santa Cruz County Chamber and Nogales Community Development to discuss how to partner in an effort to develop their tourism products and the area. Future plans include partnering with Nogales, with the assistance of a consultant and community partners, to work on a tourism product development plan, to include marketing, branding assistance, cross-promotion of tourism products in Ambos Nogales. The first step towards this plan is to establish tourism asset inventory.
- The fall 2011 Tourism Development and Management Class, of ASU's School of Community Resources, spent the semester studying Nogales, Arizona. They studied topics ranging from border perceptions, historical and community tourism and natural resources and held a focus group in Nogales, which interviewed businesses, community and elected officials. After completing the assessment, one recommendation was to have a city-wide focus on tourism. Moving forward, Mayor Garino and Nogales Community Development, will plan to discuss the city's role and establish a scope of work.

Glenn Schlottman, Tourism Education and Development Manager of AOT, along with an ASU graduate student, worked on taking the popular Recreation and Historic Sites Map, known as ACERT, on-line. ACERT will be featured as an on-line asset map on the Arizona Experience website and will continue to be enhanced.

Linda Yuhas reported that changes will be made to the Memorandum of Understanding and will be sent out for signature.

III. Area Reports

Bruce Lange – Area 1: Maricopa County

Year started off robust with room demand and fairly good transient demand. However, group pace slowed considerably. To date, 2013 looks strong, but may change with debt crisis issues. Transient demand seems to be very short term and focused on discount.

Jody Harwood – Area 1: Maricopa County

Last six months in Maricopa County were very sluggish. Group bookings-boutique sector window is very short term and extremely competitive. July and August appear to be more competitive than originally expected-in some cases, more so than last year. Market seems to be more discount driven than usual. Group business is a “wait and see”. 2013 looks more promising, but the rest of this year is very tenuous and definitely not what was hoped for. The outlook for the next six months remains very cautious.

Lorraine Pino – Area 1: Maricopa County

West shows a 7% increase from last year. Some local hoteliers went to City Manager requesting increase in bed tax, with money going directly to Glendale CVB. Currently, bed tax goes into General Fund. By August 1, 2012, the 1.6% increase in bed tax will come to Glendale CVB. The funds are projected to be approximately \$500,000 annually, which more than doubles the budget. Lorraine gave update of upcoming events for the areas.

- The second annual meeting of the CVB –August 16, 2012, which will include guest panel of industry leaders.
- Other events include Cirque du Soleil, Justin Bieber concert, and Carrie Underwood concert at Jobing.com Arena.

Richard Vaughan – Area 2: Pima County

Occupancy is flat-no growth, but group is stabilizing. Mexico is still very strong. Philippe Garcia, Vice President of the Tucson CVB, is doing a fantastic job.

Michael Luria – Area 2: Pima County

Michael gave a general overview of the Tucson area.

Teresa Propeck – Area 3: Apache, Coconino, Navajo and Yavapai Counties

Occupancy for the first part of the year was great, but plummeted toward the end of June.

Stacey Button – Area 3: Apache, Coconino, Navajo, Yavapai Counties

Stacey is a division director, responsible for three different programs: tourism, airport and economic development. The airport is still pursuing a second airline and is seeing very strong enplanements. In economic development, they are seeing very strong increases in retail. New staff member, who has a strong background in tourism marketing, is coming on board for business attraction. They received a \$700,000 preservation grant from the federal government-local state Route 66 interpretive grant, which provides money for signage.

Tourism is continuing to rise in the Flagstaff area. Hotel revenues are up 8.1 percent.

Arizona Cardinals Camp is scheduled to be in Flagstaff July 25, 2012 for three weeks. The CVB is working on new branding and messaging and continuing to get high survey satisfaction ratings at the visitor center, which is the highest in several years.

Ron Charles – Area 4: La Paz County

Parker Chamber of Commerce Tube Float started off slow but was a big success even with temperatures reaching 124 degree. There were 892 attendees on the beach and estimated 6,000 people on the river in tubes. The Parker Mayor was in attendance and occupancy at the casino was full throughout the weekend.

The 40th Annual Native American Days Fair Expo will be October 4 -7, 2012. Admission will be charged for the first time. The theme “Harvest, Gather and Celebrate” will include the fair, rodeo, parade, Tribal dances, Pow Wow and a community BBQ. It’s a big celebration that brings everyone from the Town of Parker and the CRIT community.

Ms. Willene Fisher has been hired as the new director for the CRIT Museum. The Museum has moved into town on main street, right across from the Parker Chamber of Commerce with great visibility.

The Tribe will work with Genesis Solar Project to provide consultation on cultural resources found on while clearing land for installation of solar panels. Last fall, during excavation, some cultural resources were unearthed at the site, including evidence of a cremation site.

Susan Sternitzke – Area 4: La Paz County

Occupancy in the area is down. The agritourism promotion continues to sell out in Yuma. Partnering with tourism has helped the produce industry in Yuma. Yuma is targeting Baja, Mexico for the first time. Susan will provide results.

Victoria Yarbrough – Area 6: Cochise County

Greenlee is establishing a tourism council for the first time and Santa Cruz Chamber reported that there is a Southern Arizona Tourism Council, which will include Nogales, Santa Cruz, Tubac, Rio Rico, Green Valley-Sahuarita and Patagonia Visitor’s Center. The Cochise County Tourism Council just did a strategic planning and as a county is trying to develop a strategy to market itself more consistently.

IV. Schedule of Meetings for 2013

The meeting schedule for next year will be as follows:

- October – full meeting
- February – full meeting
- May - Webinar meeting
- July – full meeting (Governor’s Conference on Tourism)

V. Nomination of Chair

Bruce Lange nominated Jody Harwood and Michael Luria to serve another two year term as co-chairs. Stacey Button seconded. It was unanimously approved; Jody Harwood and Michael Luria to serve as co-chairs.

Call to the public.

The next meeting will be November 13, 2012, 10:00 a.m. to 2:30 p.m., at the Arizona Office of Tourism.

VI. Adjournment

Meeting adjourned at 1:11:17 p.m.

Dated and mailed this 10th day of September, 2012.

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